

Norby Notes

Orange County Update

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Accountability Serves Both County Taxpayers and Sheriff's Deputies

Public money demands public accountability.

It is our job to supervise every dollar of county money spent. That's why we're called Supervisors. For this task we have our office staffs and an array of accountants and auditors to help us with this awesome responsibility.

Health coverage for our 16,000 county workers is a growing expense. Out of a total annual county budget of over \$4 billion, \$100 million is spent on medical insurance for our employees. Costs are closely monitored to assure the highest benefits and value for both our employees and taxpayers.

The deputy sheriffs are an exception. While all other employees are insured directly by the county, members of the Association of Orange County Deputy Sheriffs (AOCDS) are covered through a special medical insurance trust fund operated by their own union. Their labor association runs their health insurance fund, publicly funded but privately managed.

For the past 16 years, the Board has transferred funds directly to AOCDS to cover its members' health insurance. Last year's contribution was \$10.5 million. For 16 years, the contract called for "annual reports accounting for the activity of the fund". No such reports were ever made.

In negotiating for a new contract, the deputies asked for an additional \$2.8 million annually for the medical trust fund, now totaling \$13.3 million per year.

All five Supervisors agreed to this increase.

Additionally, First District Supervisor Chuck Smith and I sought to ensure real accountability for the fund. Smith and I proposed an annual financial review, to be performed by the county's Internal Auditor. The Internal Auditor—Peter Hughes—is appointed by and reports directly to the Board of Supervisors. Mr. Hughes is well respected for his objectivity, and total lack of political aspiration or motivation.

An annual financial review would assure both taxpayers and the sheriff's deputies that the medical insurance fund is efficiently operated, commissions are fair, and overhead is reasonable. Such a review would be of no cost to AOCDS and would be of great value in the continued administration of the fund.

Surprisingly, our proposal was opposed by association officers. At our October 28 meeting, the proposed annual review was rejected by the Board of Supervisors on a 3-2 vote.

Instead, the contract was approved without any independent financial review of the \$13.3 million now

La Habra

Jamie Rodriguez

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**Chuck Schoenberg
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annually going to the medical trust fund.

We are left bewildered.

The reasons against a financial review were curious. Some said the plan had operated successfully without Board review for 16 years, so there was no need for it now. That could also have been said about Treasurer Bob Citron's investment pool before the 1994 county bankruptcy. Other criticisms were more pointed and personal.

No plausible reason was given as to why \$13.3 million in public funds should not be subject to a routine financial review. No one explained why the taxpayers and deputy sheriffs themselves are better off not knowing exactly how these funds are being spent.

AOCDS members ably patrol our neighborhoods, staff our jails and investigate crime. They serve both the Orange County Sheriff's Department and the District Attorney. They deserve the protection of a medical insurance fund with full public oversight.

In these difficult economic times, with the State of California facing a \$30+ billion deficit and Orange County government still paying off the 1994 bankruptcy debt, every public dollar counts.

We will continue to insist upon full accountability for all public dollars. The taxpayers deserve it. Our own employees deserve it. Public money demands public accountability.